

Certification/Qualification

- FAA - Medical, A/C, etc
- CAP - form 5, A/C questionnaires,
- Mission
 - ES: Tasks and evals
 - CD: Tasks and evals
- Currency- Night, landings, instrument

Certification/Qualification (cont)

- Input
 - Crewmember or designee
 - Commander designee
- Validation
 - Commander designee
- Email Reminders - to individual
 - 30/60/90 and overdue
- Automated Reports - to CC, DO, and/or designee
 - 30/60/90 and overdue
 - Updates dates IAW FAA and/or CAP policy

Flight Release

- Cert/qual database is basis for release
 - Verified, pending, and overdue data
- Automatic or assisted
 - Database, mission, and CC policy dependent
- Web, Phone, and FRO
- Start of flight reporting module
 - Mission type will dictate data input

Flight Reporting

- Starts with flight release
 - PIC, A/C "N" number, date, Msn Type, etc.
- Report actuals ASAP after event
 - Update basic and add msn specific
 - Event can include more than one flight/sortie, more than one PIC, more than one msn type; a new A/C always starts a new event
- Mission type will dictate data screens or phone menus

Reimbursement

- Basic data from flight reporting module
- TBD decisions
 - Receipt storage/transmission
 - Signatures (digital vs. actual)
 - Validation (Unit, wing, CAP-USAF liaison,
 - Payment to whom (CAP A/C, Mbr owned)

Decision Support and Resource Analysis

- Crew status (now and near future)
 - Helps units keep a viable crew force
 - Provide online real-time or recent snapshots of crew status listings
- Anytime, anywhere event statistics
- Easy analysis concerning any relationship among people, equipment, and funding

Challenges

- Short development & implementation time
- Field equipment (computers & connectivity)
- Member mindset change about new process
- Member training for process and equipment
- NHQ online presence upgrade (24x7 and increased bandwidth)

Additional Resource Modules

- Aircraft - (Basic, Maintenance)
- Vehicles - (Basic, Maintenance)
- Equipment - (Basic, Maintenance)
- Real Property
- Integrated with other modules (Member, financial, FMS, LGS, etc)

Comments ?

Questions?

NATIONAL FINANCE COMMITTEE MEETING MINUTES

3 May 2001

A meeting of the National Finance Committee (NFC), Civil Air Patrol, was conducted at 1400 hours, 3 May 2001, at National Headquarters, Maxwell AFB, AL. Meeting was called to order by Col Larry D. Kauffman.

COMMITTEE MEMBERS PRESENT:

Col Larry D. Kauffman, Chairman
Col Donald N. Prouty
Col Andrew Skiba
Col William S. Charles
Col Joseph C. Meighan, Jr.
Col Colin F. Fake

Col Robert L. Brooks - Non voting member
Mr Tom Hicks - Non voting member

OTHER PERSONNEL PRESENT:

Col Joseph D. McMillan, CAP/CS
Col Scott Hamilton, EXA
Mr. Donnie Rowland
Mr. Mike Button
Mr John Angle
Ms Ruth Petersen
Ms. Lorri D. Murrell
Mr. Jim Hollabaugh
Ms Rita Pickette
Ms. Helen Johnson
Mr. Sid Ward
Mr. Brian Brady
Mr. Mark Sims
Mr. Michael Blake

1. Meeting began with an introduction of the newly hired Internal Control & Assistance Monitors, five of whom were present. Col. Kaufman had the members of the Finance Committee introduce themselves to the ICAMs.
2. Col. Kaufman requested a ^{Resolution} ~~referendum~~ to go from the Finance Committee to the NEC and the BoG as to why membership dues are used to pay for cadet orientation flights and IACE. The question was, "why not fund these with appropriated funds?" D. Rowland asked to defer discussion until presentation at the full NEC of the FY 02 Appropriated Financial Plan.
3. Mr. Hicks introduced Mr. Button who had a request from Arizona Wing to dispose of a 14 year old "donated" mobile home. The wing is going to donate the mobile home to a local church. There will be no cost to CAP with this donation. Finance committee approved the request.
4. The next item discussed by the committee was the FY 02 Corporate Financial Plan.
 - a. Col. Kaufman asked for increases in the following travel accounts to be used for two Commander's Call annually:
 - National Commander - \$2,000
 - National Vice Commander - \$1,000
 - National Chief of Staff - \$1,000
 - National Controller - \$1,000
 - All region commanders - \$2,000 each
 - National Chaplain - \$1,800

Finance Committee approved the requested increases.

- b. Col Kaufman passed on a request from staff that both NEC conferences not be held at Maxwell AFB. He suggested that one be held in Atlanta, for example. The reason being that the cost of airline tickets to Montgomery is too expensive. He also suggested that they be rotated to different locations as long as they are airport hubs.
- c) Reduced contingency fund from \$80,722 to \$60,000.
- d) The Satellite Tool Kit will be renamed Advance Technologies and moved to Dept. 085. The funding was also increased from \$25,000 to \$40,000.
- e) A question was raised about the increase to the Aerospace Education promotion account. Mr. Angle stated that OMB Circulars would not allow appropriated funds to be used for AE workshops promotional items. The corporate funds will allow the RDAEs to purchase these types of materials for their workshops.
- f) Col. Fake requested an increase to Region Staff College funding. He stated that the maximum funding for 35 students is not adequate for some wings. Other wings have never met the maximum number of students. The committee decided that the language should be changed to allow \$125 per student, with no cap on the maximum number of students. The budget will remain the same.
- g) Cadet Flight Orientation had to be reduced in FY 02 due to funding constraints. The corporation has requested financial support from the USAF for FY 02 for the Cadet Program.
- h) A question was raised as to what the Cadet Flight Training funds were being used for. Mr. Bean explained to the committee that the funds were being used as scholarships for graduates of the National Flight academies. The scholarships were being paid to the parents of these cadets to help offset expenses. The budget is based upon projections of the number of cadets that will attend the flight academies. Any remaining funds in the budget will be used to offer scholarships to cadets pursuing their pilot's license.
- i) National Specialized Academies are new academies planned to fill voids in areas of interests to cadets. The new planned academies are:
 - National Military Music Academy
 - National Honor Guard Academy
 - National Aircraft Maintenance Career Orientation Academy
 - National Aerospace Education Academy
 - Slow-Scan Cadet Training Academy
- j) The NFC wants metrics developed to measure the usefulness and effectiveness of the funds spent in Marketing and Public Relations Programs. (Report due at the next NEC.)
- k) The increase for Electronic Media will be used to pay for pre and post production costs to produce public service announcements.
- l) The OSHKOSH Aircraft Display for FY 02 will support a more educational exhibit, featuring a Maule, L-16 Stinson, Fairchild, and 172 or 182. There was a suggestion to have recruiting at the display.
- m) The committee requested that Dept 140 Logistics be renumbered and renamed to Dept 130 CAP Education & Training Center, Oshkosh.

- n) Col. Charles asked why funding was not provided to the Board of Governors (BoG). Col. Brooks stated that at the 5 March 2001 meeting of the BoG, it was decided that expenses for the members would be paid with appropriated funds.
5. The committee discussed the acquisition of a new envelope for the hot air balloon located in the Illinois Wing to be used for Marketing and Recruiting Program. Col. Brooks told the committee that we could use the funds from the travel account for the National Philanthropy & Endowments position for FY 01. Col. Kaufman approved the transfer of the funds and stated that there was no vote required.
 6. The NFC was asked to discuss the request for a loan of \$60,000 to fund the DDR program until appropriated funds become available. Col. Kaufman suggested a \$20,000 advance to DDR pending verification that a funding document will be received for the program, plus approved DDR applications.
 7. The status of corporate investments was briefed. Col. Kaufman stated investments gained 10.39% last year despite market fluctuations.
 8. The BoG has asked for a revised investment policy. The NFC members were given a copy of the policy for review.
 9. The reutilization of Region Chaplain Staff College funds was discussed. The NFC stated that the new policy for Senior Region Staff College would also apply to the Region Chaplain Staff College.
 10. Col. Brooks asked NFC for the same latitude given in the past for employee ^{performance bonus} ~~incentives~~. Motion carried.
 11. Mr. Hicks stated that with these changes we are currently \$17,078 over budget. This overage will be absorbed during the execution year from programs that do not fully utilize their budgets.

MINUTES APPROVED



COL LARRY D KAUFFMAN
Chairman, National Finance Committee

3 Attachments:

1. FY 02 Fin Plan
2. Status of Investments
3. Investment Policy

FY 02 Fin Plan**Civil Air Patrol****Corporate Budget**

4 May 01

INCOME (Estimated):**MEMBERSHIP**

| | |
|--------------------------|------------------|
| SENIORS 34,895 @ \$30.00 | \$1,046,850 |
| CADETS 24,865 @ \$20.00 | \$497,300 |
| ROTC | \$45,150 |
| HULL SELF-INSURANCE | \$0 |
| VEHICLE SELF-INSURANCE | \$35,265 |
| NATL BOARD | \$100,000 |
| NCASE | \$75,000 |
| INTEREST & MISC INCOME | \$106,370 |
| DEPOT | \$78,000 |
| BOOKSTORE | <u>\$171,400</u> |
| TOTAL | \$2,155,335 |

EXPENSES (Estimated): \$2,172,413**Balance** (\$17,078)

| Account Description | FY 00 | FY 01 | FY 02 | | |
|---|----------|----------|----------|-----------------------|-----------------|
| | Actual | Budgeted | Request | Fin Comm Recommend | NEC Approved |
| Dept 005 - National Commander | | | | | |
| Travel and Expenses | \$22,584 | \$18,000 | \$18,000 | \$20,000 | \$20,000 |
| IACE President Travel | \$0 | \$3,000 | \$0 | \$3,000 | \$3,000 |
| CC Directed Travel | \$8,706 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Department Total | \$31,290 | \$26,000 | \$23,000 | \$28,000 | \$28,000 |
| Dept 010 - National Vice Commander | | | | | |
| Travel and Expenses | \$14,498 | \$15,000 | \$15,000 | \$16,000 | \$16,000 |
| Department Total | \$14,498 | \$15,000 | \$15,000 | \$16,000 | \$16,000 |
| Dept 015 - Chief of Staff | | | | | |
| Travel and Expenses | \$5,689 | \$10,000 | \$10,000 | \$11,000 | \$11,000 |
| Department Total | \$5,689 | \$10,000 | \$10,000 | \$11,000 | \$11,000 |
| Dept 020 - National Finance Officer | | | | | |
| Travel and Expenses | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Department Total | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Dept 020 - National Investment Program | | | | | |
| Investment Program | \$208 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Department Total | \$208 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Dept 025 - National Controller | | | | | |
| Travel and Expenses | \$2,189 | \$3,000 | \$3,000 | \$4,000 | \$4,000 |
| Department Total | \$2,189 | \$3,000 | \$3,000 | \$4,000 | \$4,000 |

| FY 02 Fin Plan | Civil Air Patrol | | Corporate Budget | | |
|---|------------------|----------|------------------|-----------------------|-----------------|
| | | | | | 4 May 01 |
| | FY 00 | FY 01 | | FY 02 | |
| Account Description | Actual | Budgeted | Request | Fin Comm Recommend | NEC Approved |
| Dept 030 - National Legal Officer | | | | | |
| Travel and Expenses | \$2,992 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Department Total | \$2,992 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Dept 035 - Northeast Region Commander | | | | | |
| Travel and Expenses | \$3,500 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$13,500 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |
| Dept 040 - Middle East Region Commander | | | | | |
| Travel and Expenses | \$3,279 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$13,279 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |
| Dept 045 - Great Lakes Region Commander | | | | | |
| Travel and Expenses | \$3,378 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$13,378 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |
| Dept 050 - Southeast Region Commander | | | | | |
| Travel and Expenses | \$1,442 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$11,442 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |
| Dept 055 - North Central Region Commander | | | | | |
| Travel and Expenses | \$3,468 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$13,468 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |
| Dept 060 - Southwest Region Commander | | | | | |
| Travel and Expenses | \$2,921 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$12,921 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |
| Dept 065 - Rocky Mountain Region Commander | | | | | |
| Travel and Expenses | \$3,506 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$13,506 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |

| FY 02 Fin Plan | Civil Air Patrol | | Corporate Budget 4 May 01 | | |
|--|------------------|-----------|------------------------------|-----------------------|-----------------|
| | FY 00 | FY 01 | FY 02 | | |
| Account Description | Actual | Budgeted | Request | Fin Comm Recommend | NEC Approved |
| Dept 070 - Pacific Region Commander | | | | | |
| Travel and Expenses | \$4,668 | \$3,500 | \$3,500 | \$5,500 | \$5,500 |
| Region Operating Funds | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$14,668 | \$13,500 | \$13,500 | \$15,500 | \$15,500 |
| Dept 075 - CAP Chaplain Service | | | | | |
| Travel and Expenses | \$3,969 | \$4,000 | \$4,000 | \$5,800 | \$5,800 |
| Dean, Chaplain Colleges | \$0 | \$2,400 | \$2,400 | \$2,400 | \$2,400 |
| RGN Chap Staff College | \$25,400 | \$28,000 | \$28,000 | \$14,000 28 | \$14,000 28 |
| Department Total | \$29,369 | \$34,400 | \$34,400 | \$22,200 | \$22,200 |
| Dept 080 - NEC Conference | | | | | |
| Conference Expense | \$2,796 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Department Total | \$2,796 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Dept 085 - Executive Director | | | | | |
| Office Supplies | \$3,334 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Telephone Support - HQ | \$8,015 | \$9,000 | \$9,000 | \$9,000 | \$9,000 |
| Promotions - Bookstore | \$219 | \$300 | \$300 | \$300 | \$300 |
| Promotions - Depot | \$0 | \$300 | \$300 | \$300 | \$300 |
| Awards - Exec Director | \$15,656 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Protocol | \$2,146 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Contingency | \$176,885 | \$56,400 | \$56,400 | \$60,000 | \$60,000 |
| Wellness Program | \$1,285 | \$750 | \$750 | \$750 | \$750 |
| IACE Planning Conf | \$26,944 | \$0 | \$0 | \$0 | \$0 |
| Professional Consulting Svcs | \$0 | \$48,000 | \$48,000 | \$48,000 | \$48,000 |
| National Historian | \$0 | \$0 | \$0 | \$5,000 | \$0 |
| Advanced Technologies | \$24,099 | \$25,000 | \$25,000 | \$40,000 | \$40,000 |
| Department Total | \$258,583 | \$157,250 | \$157,250 | \$180,850 | \$175,850 |
| Dept 085 - Legislative Support | | | | | |
| Travel | \$9,643 | \$5,000 | \$5,000 | \$0 | \$0 |
| Department Total | \$9,643 | \$5,000 | \$5,000 | \$0 | \$0 |
| Dept 090 - General Counsel | | | | | |
| Professional Legal Services | \$551 | \$8,300 | \$8,300 | \$8,300 | \$8,300 |
| Telephone | \$1,848 | \$3,100 | \$3,100 | \$3,100 | \$3,100 |
| Hawk Mountain - Survey | \$0 | \$10,000 | \$0 | \$0 | \$0 |
| Miscellaneous | \$487 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Department Total | \$2,886 | \$22,400 | \$12,400 | \$12,400 | \$12,400 |

FY 02 Fin Plan

Civil Air Patrol

Corporate Budget

4 May 01

| Account Description | FY 00 | FY 01 | FY 02 | | |
|---|-----------|-----------|-----------|-----------------------|-----------------|
| | Actual | Budgeted | Request | Fin Comm Recommend | NEC Approved |
| Dept 090 - Insurance | | | | | |
| Senior & Cadet Accident Claims | \$3,543 | \$9,000 | \$9,000 | \$9,000 | \$9,000 |
| Employee Practice Liability | \$0 | \$0 | \$0 | \$0 | \$0 |
| Accident/Death Benefits | \$0 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Department Total | \$3,543 | \$24,000 | \$24,000 | \$24,000 | \$24,000 |
| Dept 095 - Aerospace Ed & Trng | | | | | |
| Senior Trng Ribbons & Post | \$520 | \$400 | \$400 | \$400 | \$400 |
| Cadet AE Program | \$4,033 | \$83,700 | \$63,000 | \$63,000 | \$63,000 |
| Nat Legal Officers Staff Coll | \$0 | \$4,500 | \$0 | \$0 | \$0 |
| Natl Inspector General College | \$4,252 | \$0 | \$4,252 | \$4,252 | \$4,252 |
| SR National Staff College | \$4,806 | \$7,500 | \$7,500 | \$7,500 | \$7,500 |
| SR Region Staff College | \$13,200 | \$28,000 | \$28,000 | \$28,000 | \$28,000 |
| SR Sqdn Leadership School | \$8,880 | \$12,480 | \$12,480 | \$12,480 | \$12,480 |
| Corporate Learning Course | \$3,260 | \$7,280 | \$7,280 | \$7,280 | \$7,280 |
| SR Wing Commander Course | \$10,399 | \$11,250 | \$11,250 | \$11,250 | \$11,250 |
| Aerospace Ed Promotion | \$13,374 | \$14,000 | \$31,600 | \$26,600 | \$26,600 |
| Member Orientation Flights | \$0 | \$0 | \$5,000 | \$0 | \$0 |
| Department Total | \$62,724 | \$169,110 | \$170,762 | \$160,762 | \$160,762 |
| Dept 100 - Cadet Program | | | | | |
| IACE Support | \$136,098 | \$181,200 | \$176,700 | \$176,700 | \$176,700 |
| Cadet Flight Training | \$18,300 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| Cadet Flt Orientation | \$205,204 | \$250,000 | \$403,900 | \$100,000 | \$100,000 |
| Cadet Officer School | \$11,976 | \$11,000 | \$12,000 | \$12,000 | \$12,000 |
| Blue Beret | \$4,000 | \$5,000 | \$5,500 | \$5,500 | \$5,500 |
| Natl Flight Academy - Powered | \$16,000 | \$28,000 | \$35,000 | \$35,000 | \$35,000 |
| Natl Flight Academy - Glider | \$19,000 | \$28,000 | \$35,000 | \$35,000 | \$35,000 |
| Natl Specialized Academies | \$0 | \$0 | \$7,500 | \$5,000 | \$5,000 |
| Familiarization Courses | \$13,000 | \$13,000 | \$15,000 | \$15,000 | \$15,000 |
| Natl Cadet Comp & Color Guard | \$25,952 | \$26,000 | \$54,000 | \$54,000 | \$54,000 |
| Hawk Mountain School | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Pararescue Orientation Course | \$14,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| RGN Cadet Leadership School | \$2,500 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Senior Training for Cadet Leaders | \$1,500 | \$1,500 | \$2,500 | \$2,500 | \$2,500 |
| NCC Trip to DC | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| Natl Cadet Advisory Council | \$2,935 | \$4,500 | \$4,500 | \$4,500 | \$4,500 |
| Department Total | \$476,965 | \$600,700 | \$804,100 | \$497,700 | \$497,700 |
| Dept 105 - Financial Management | | | | | |
| Depreciation | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Flow/Reimb Fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| Department Total | \$0 | \$0 | \$0 | \$0 | \$0 |

FY 02 Fin Plan

Civil Air Patrol

Corporate Budget

4 May 01

| Account Description | FY 00 | FY 01 | FY 02 | | |
|--|-----------|-----------|-----------|-----------------------|-----------------|
| | Actual | Budgeted | Request | Fin Comm Recommend | NEC Approved |
| Dept 110 - Marketing & PR | | | | | |
| 1-800 Number | \$2,906 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| CAP News - General | \$221,167 | \$265,000 | \$250,000 | \$250,000 | \$250,000 |
| Special Printing | \$10,105 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Travel - NA Phil & Endowments | \$0 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| Electronic Media | \$4,308 | \$2,600 | \$110,000 | \$110,000 | \$110,000 |
| CAP Exhibits | \$49,746 | \$50,000 | \$70,000 | \$70,000 | \$70,000 |
| Promo Items | \$5,000 | \$7,500 | \$10,000 | \$10,000 | \$10,000 |
| PA Resource/Membership Dues | \$2,552 | \$2,500 | \$3,500 | \$3,500 | \$3,500 |
| Oshkosh Aircraft Display | \$11,690 | \$9,100 | \$10,000 | \$10,000 | \$10,000 |
| PR Advertising | \$126,680 | \$36,604 | \$110,000 | \$100,000 | \$100,000 |
| Membership Development | \$19,617 | \$11,300 | \$24,000 | \$24,000 | \$24,000 |
| Personnel Salaries | \$0 | \$113,120 | \$113,120 | \$113,120 | \$113,120 |
| Health Insurance | \$0 | \$10,456 | \$10,456 | \$10,456 | \$10,456 |
| FICA - Personnel | \$0 | \$12,560 | \$12,560 | \$12,560 | \$12,560 |
| Department Total | \$453,771 | \$559,740 | \$762,636 | \$752,636 | \$752,636 |
| Dept 115- Data Automation | | | | | |
| Membership Supplies | \$39,678 | \$40,000 | \$40,100 | \$40,100 | \$40,100 |
| Department Total | \$39,678 | \$40,000 | \$40,100 | \$40,100 | \$40,100 |
| Dept 120 - Operations | | | | | |
| Safety Flight Clinics | \$4,900 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Safety | \$0 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Emergency Services | \$10,759 | \$8,000 | \$10,000 | \$10,000 | \$10,000 |
| Stan Eval | \$5,538 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| National GSAR School | \$8,000 | \$8,000 | \$10,000 | \$10,000 | \$10,000 |
| Department Total | \$29,197 | \$28,000 | \$32,000 | \$32,000 | \$32,000 |
| Dept 130 - CAP Ed & Trng, Oshkosh | | | | | |
| CAP Ed & Trng Center Lease | \$924 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| CAP Ed & Trng Center Utilities | \$3,829 | \$3,500 | \$3,500 | \$3,500 | \$3,500 |
| CAP Ed & Trng Center Facility MX | \$20,833 | \$7,500 | \$7,500 | \$7,500 | \$7,500 |
| CAP Ed & Trng Ctr Improvement Fund | \$0 | \$0 | \$10,000 | \$5,000 | \$5,000 |
| Property Taxes | \$197 | \$500 | \$500 | \$500 | \$500 |
| Department Total | \$25,783 | \$12,500 | \$22,500 | \$17,500 | \$17,500 |
| Dept 140 - Hull Self-Insurance (Reimb from Investments) | | | | | |
| Claims | \$237,181 | \$0 | \$0 | \$0 | \$0 |
| Claims - Regions & Wings | \$93,240 | \$0 | \$0 | \$0 | \$0 |
| Department Total | \$330,421 | \$0 | \$0 | \$0 | \$0 |

FY 02 Fin Plan

Civil Air Patrol

Corporate Budget

4 May 01

| Account Description | FY 00 | FY 01 | FY 02 | | |
|---|--------------------|--------------------|--------------------|-----------------------|--------------------|
| | Actual | Budgeted | Request | Fin Comm Recommend | NEC Approved |
| Dept 140 - Vehicle Self-Insurance (Offset by Income) | | | | | |
| Claims | \$0 | \$20,265 | \$20,265 | \$20,265 | \$20,265 |
| Claims - Regions & Wings | \$37,681 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Department Total | \$37,681 | \$35,265 | \$35,265 | \$35,265 | \$35,265 |
| Dept 145 - National Programs | | | | | |
| Natl Board Conference Fee | \$143,888 | \$94,000 | \$94,000 | \$94,000 | \$94,000 |
| Natl Board Transportation | \$2,285 | \$6,000 | \$6,000 | \$6,000 | \$6,000 |
| Natl Board Hall of Honor | \$0 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| NCASE | \$93,762 | \$100,000 | \$100,000 | \$75,000 | \$75,000 |
| Natl Board Committees | \$462 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Board of Governors | \$0 | \$20,000 | \$20,000 | \$0 | \$0 |
| Legislative Liaison & Program | \$5,015 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Department Total | \$245,412 | \$251,000 | \$251,000 | \$206,000 | \$206,000 |
| Total | \$2,175,480 | \$2,114,365 | \$2,523,413 | \$2,177,413 | \$2,172,413 |
| Dept 150 - Bookstore | | | | | |
| Salaries | \$328,072 | \$433,820 | \$490,500 | \$490,500 | \$490,500 |
| Retirement Annuity | \$4,993 | \$19,000 | \$19,000 | \$19,000 | \$19,000 |
| Health Insurance | \$53,334 | \$52,500 | \$57,000 | \$57,000 | \$57,000 |
| Life Insurance | \$625 | \$672 | \$1,056 | \$1,056 | \$1,056 |
| FICA / Medicare | \$24,870 | \$33,188 | \$37,530 | \$37,530 | \$37,530 |
| Office Supplies | \$1,789 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Data Processing Supplies | \$10,004 | \$15,000 | \$14,000 | \$14,000 | \$14,000 |
| Operating Supplies | \$45,079 | \$56,000 | \$50,000 | \$50,000 | \$50,000 |
| Telephone | \$54,561 | \$60,000 | \$60,000 | \$60,000 | \$60,000 |
| Postage | \$67,305 | \$150,000 | \$100,000 | \$100,000 | \$100,000 |
| Equip. Rental & Maint. | \$25,450 | \$56,000 | \$35,000 | \$35,000 | \$35,000 |
| Vehicle Maint. | \$7,659 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Vehicle Operating Exp. | \$2,578 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Exec Dir Promotions | \$0 | \$500 | \$1,000 | \$1,000 | \$1,000 |
| Travel | \$419 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Meals & Lodging | \$9,468 | \$15,000 | \$13,000 | \$13,000 | \$13,000 |
| Depreciation | \$0 | \$5,940 | \$5,940 | \$0 | \$0 |
| Outbound Freight | \$244 | \$200 | \$300 | \$300 | \$300 |
| Bad Check Expense | \$0 | \$250 | \$250 | \$250 | \$250 |
| Credit Card Expense | \$31,165 | \$30,000 | \$34,000 | \$34,000 | \$34,000 |
| Gain/Loss on Sales | \$0 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Miscellaneous | \$1,053 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Fixed Assets - Vehicle | \$0 | \$28,930 | \$28,000 | \$0 | \$0 |
| Advertising Expense | \$0 | \$0 | \$20,000 | \$20,000 | \$20,000 |
| Equipment Purchases | \$0 | \$0 | \$20,000 | \$20,000 | \$20,000 |
| Department Total | \$668,668 | \$976,000 | \$1,005,576 | \$971,636 | \$971,636 |

FY 02 Fin Plan

Civil Air Patrol

Corporate Budget

4 May 01

| Account Description | FY 00 | FY 01 | FY 02 | | |
|--------------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|
| | Actual | Budgeted | Request | Fin Comm Recommend | NEC Approved |
| Dept 155 - Supply Depot | | | | | |
| Salaries | \$416,695 | \$568,394 | \$612,873 | \$612,873 | \$612,873 |
| Retirement Annuity | \$10,284 | \$20,315 | \$17,946 | \$17,946 | \$17,946 |
| Health Insurance | \$47,778 | \$81,372 | \$74,856 | \$74,856 | \$74,856 |
| Life Insurance | \$517 | \$856 | \$977 | \$977 | \$977 |
| FICA | \$30,921 | \$43,482 | \$46,885 | \$46,885 | \$46,885 |
| ADP Payroll Expense | \$0 | \$5,000 | \$2,000 | \$2,000 | \$2,000 |
| Audit | \$0 | \$20,000 | \$10,000 | \$10,000 | \$10,000 |
| Office Supplies | \$2,301 | \$4,250 | \$4,250 | \$4,250 | \$4,250 |
| Data Processing Supplies | \$8,341 | \$9,000 | \$10,600 | \$10,600 | \$10,600 |
| GPS Tech Support | \$0 | \$7,500 | \$7,500 | \$7,500 | \$7,500 |
| Operating Supplies | \$7,794 | \$9,500 | \$8,500 | \$8,500 | \$8,500 |
| Telephone | \$50,914 | \$48,000 | \$48,000 | \$48,000 | \$48,000 |
| Gas Heating | \$3,568 | \$4,950 | \$10,800 | \$10,800 | \$10,800 |
| Water | \$2,099 | \$1,600 | \$2,000 | \$2,000 | \$2,000 |
| Electricity | \$6,572 | \$9,000 | \$14,000 | \$14,000 | \$14,000 |
| Postage | \$67,572 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| Office Machine Maint. | \$3,547 | \$7,000 | \$3,500 | \$3,500 | \$3,500 |
| Vehicle Maintenance | \$10,475 | \$14,500 | \$12,500 | \$12,500 | \$12,500 |
| Facility Maintenance | \$14,689 | \$17,000 | \$19,700 | \$19,700 | \$19,700 |
| Vehicle Oper. Expense | \$5,849 | \$5,000 | \$6,000 | \$6,000 | \$6,000 |
| Advertising | \$3,526 | \$0 | \$0 | \$0 | \$0 |
| Travel | \$3,789 | \$2,400 | \$2,400 | \$2,400 | \$2,400 |
| Meals & Lodging | \$7,403 | \$2,800 | \$3,100 | \$3,100 | \$3,100 |
| Conference Activity | \$0 | \$40,045 | \$35,000 | \$35,000 | \$35,000 |
| Depreciation | \$0 | \$49,663 | \$28,000 | \$0 | \$0 |
| Facility Lease | \$19,210 | \$18,450 | \$17,571 | \$17,571 | \$17,571 |
| Outbound Freight | \$29,730 | \$20,000 | \$36,000 | \$36,000 | \$36,000 |
| Credit Card Expense | \$8,773 | \$9,200 | \$13,200 | \$13,200 | \$13,200 |
| Tech Pubs | \$1,234 | \$2,700 | \$2,400 | \$2,400 | \$2,400 |
| Catalog Expense | \$8,308 | \$35,000 | \$44,600 | \$44,600 | \$44,600 |
| Bad Debt Write-off | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous | \$6,327 | \$23,250 | \$18,000 | \$18,000 | \$18,000 |
| Professional Development | \$600 | \$4,200 | \$3,700 | \$3,700 | \$3,700 |
| Major Equip Purchases | \$16,008 | \$7,500 | \$0 | \$0 | \$0 |
| Department Total | \$794,824 | \$1,166,927 | \$1,191,858 | \$1,163,858 | \$1,163,858 |
| Total Expenses | \$3,638,972 | \$4,257,292 | \$4,720,847 | \$4,312,907 | \$4,307,907 |

Summary of Investment Performance

| | <u>Market Value 30-Sep-00</u> | <u>Market Value 31-Mar-01</u> | <u>Net Change</u> |
|------------------------------|-----------------------------------|-----------------------------------|-----------------------|
| Salomon Smith Barney: | | | |
| Growth | \$1,519,594 | \$1,277,163 | (\$242,431) |
| Livingston | \$115,328 | \$111,423 * | (\$3,905) |
| Scholarship | \$884,484 | \$846,577 ** | (\$37,907) |
| H.S.I. | \$1,010,483 | \$964,481 ** | (\$46,001) |
| NCASE | \$57,897 | \$51,434 ** | (\$6,464) |
| Merrill Lynch: | | | |
| Defense | \$2,007,521 | \$1,588,149 ** | (\$419,372) |
| H.S.I. | \$700,118 | \$604,409 ** | (\$95,709) |
| Reserve | \$4,219,664 | \$3,327,410 ** | (\$892,254) |
| V.S.I. | \$257,595 | \$133,401 ** | (\$124,194) |
| Ferris Baker Watts: | | | |
| CAMP | \$1,532,555 | \$1,496,052 ** | (\$36,502) |
| General | \$140,556 | \$137,069 * | (\$3,488) |
| | <u>\$12,445,795</u> | <u>\$10,537,568</u> | <u>(\$1,908,227)</u> |

* These funds are restricted by donors for specific uses and may not be used for any other purpose:

Livingston - restricted for the Cadet Programs

General - Only .2% of this investment is *unrestricted*, the other 99.8% are various restricted funds. They include:

Crossfield - represents 24.1% of the investment; restricted for the benefit of the AE Program
Glider - represents 3.6% of the investment; restricted for the Cadet Program
Gifts - represents 71% of the investment; restricted to purchase gifts for retiring Nat'l CC's
Historical - represents 1.1% of the investment; restricted to defray costs of the historical committee

** These funds have been designated by the board for the following specific purposes:

Reserve - for use in cases of extreme emergency; requires approval by resolution of 3/4 of the NEC
NCASE - to defray costs associated with NCASE
CAMP - to modernize and maintain the organization's airfleet
Defense - for uninsured legal defense; \$4 million dollar limit on fund
VSI and HSI - to self insure any hull damage to airfleet or vehicle property damage
Scholarship - to provide cadet scholarships

Additional Notes: There were "no deposits" into the investment accounts during the period covered.



NATIONAL HEADQUARTERS
CIVIL AIR PATROL
United States Air Force Auxiliary
105 South Hansell Street
Maxwell Air Force Base, Alabama 36112-6332

CIVIL AIR PATROL, INCORPORATED INVESTMENT POLICY

1 May 2001

It is the policy of the Civil Air Patrol to foster a program of investments to maximize the limited amount of funds that may become available from non-appropriated activities. These funds are derived from membership dues, donations and funds from other CAP sources.

The depositories for the investment funds are Merrill-Lynch, Salomon Smith Barney and Ferris, Baker Watts, Inc. The Board of Governors is the sole authority for the designation of fund depositories.

The main objective of the Civil Air Patrol is to realize as much profit from investments as the stock market will afford, consistent with the preservation of capital, realizing that there are risks as well as rewards. Personnel, especially the Investment Officer, responsible to the incorporation for managing this program, must have the education, experience, knowledge and the time to track the daily stock market, make investment decisions as the situation dictates and render investment reports as required.

The Standard and Poore's Asset Allocation will be used as a guide by the Investment Officer. Presently, this allocation is Stocks 65%, Bonds 25% and Cash 10%. It is recognized that this allocation changes very frequently with the market and that the accounts cannot track these allocations on a daily basis; however, it will serve as a general guide for the program. The Bond category includes all income type securities, such as certificates of deposits, treasury bills, treasury notes, treasury bonds (intermediate and long-term), real estate investment trusts, repurchase agreements, preferred stock, prime rate trusts and dividend paying stocks, both foreign and domestic. Stocks may be domestic, international or global; however, the total of foreign stock investments should not exceed 15% of total amount invested in the stock allocation. These restrictions do not apply to Bond and Stock Mutual Funds, since many of these have varying percentages invested globally. Buying and selling securities just to keep or realign the assets allocation is not required.

The investment Officer will exercise judgment in establishing a security position based upon the potential a security displays, such as price target, earnings, appreciation in value due to new products, etc. When establishing a position in an account the manager should strive not to exceed 5% of the total value of the fund in any one position. This is necessary to limit the losses that might occur if something goes wrong with the holding.

The Standard and Poor's 500 Index will be the standard for comparison when assessing the performance of CAP investments. This index has 500 stocks that are well established within the stock market and fairly well depict the overall market performance. The stocks are large, medium and small and cover all categories of the stock market.


The selling and purchasing back cover calls to enhance a stock position is authorized. Cover calls should always be written (sold) out of the money, except in rare cases where the cost of the position has been reduced with previously written calls. This type of a future contract is the safest method used by the market and is helpful when the cost basis needs to be lowered. It is used to make money from non-dividend paying stocks while waiting for the stock price to appreciate.

Shorting of stocks, buying on margin and investing in limited partnerships, except those traded publically as stocks, should be avoided. Bond and stock mutual funds should be purchased with a Morningstar rating of 3 to 5 stars to avoid unnecessary risk; stock purchases, if possible, should be rated 4 or 5 stars by Standard and Poor's. This guidance is not all-inclusive, and it is recognized that there are good stocks, especially IPOs and nonrated small companies, that are good investments and merit consideration.

The Civil Air Patrol, Inc. is a tax-exempt organization by the Internal Revenue Service. The exemption from paying taxes each time a profit is taken lends itself to trading more frequently than in a taxable account. The Investment Officer is expected to take full advantage of this fact.

Investment brokers and interested persons should contact the CAP Investment Officer with matters pertaining to the Civil Air Patrol Investment Program.

This Investment Policy supersedes all previous Investment Policies. This policy shall become effective upon adoption by the NEC.


JOHN P. RATCLIFF
Colonel, CAP
Investment Officer

National Operations Committee

Col. Andrew E. Skiba, Chairman

31 March, 2001

To: Col. Joseph D. McMillan

From: Col. Andrew E. Skiba

Subject: Committee Report and Agenda Item Committee Recommendations

1. The committee completed review and is forwarding recommendations on the following committee assigned agenda items;

OP0804P Cessna pilot seat track lock removal proposal.

OP10303P Two agenda items under one identification dealing with reimbursement rates for pilot participation in authorized flight clinics IAW CAPR 50-11 and current hourly aircraft reimbursement rates for authorized reimbursable missions IAW CAPR 173-3

2. Committee Recommendation OP0804P Cessna Pilot Seat Track Lock

INFORMATION BACKGROUND:

The pilot seat track floor mounted locks currently installed in older model Cessna corporate aircraft are not a mandatory FAA requirement. The installation of these locks was mandated by National Headquarters as an additional measure to prevent pilot seat slippage resulting from improper locking of the pilot seat due to worn locking pin holes in the pilot seat track. Subsequent airworthiness directives from the FAA require mandatory inspections of the track locking pin holes and replacement of the tracks that fail inspection. The tracks are inspected as part of the 100-hour and annual inspection requirements.

These optionally floor mounted lever type locks are difficult to operate and generally require a pilot to use both hands to slide the lever into the unlock position and slide the seat rearward at the same time. These awkward procedures are compounded when the pilot or other flight crewmembers are wearing bulky winter weather flight clothing and gloves. The potential safety benefits of the original installation of the lever type lock become questionable when viewed with the difficulty of operating this mechanism.

Current factory produced Cessna aircraft have a completely redesigned seat rail system which eliminated the seat slippage problem.

PROPOSED NEC ACTION:

The NEC recommend that the retention of the floor mounted supplemental pilot seat lock become optional.

The option to retain/not retain the use of the lever type seat lock be based on the following conditions;

- Satisfactory inspection of the pilot seat rails by a FAA certified mechanic at each required aircraft maintenance inspection.
- Removal of the lever seat lock lever will improve the ability of the flight crew to slide the pilot seat rearward for egress from the aircraft under all conditions, i.e. winter flight clothing, etc.
- Verification that removal of the lever type seat lock is not a violation of any FAA airworthiness directive or mandatory Cessna Aircraft Company requirement.
- Increased pilot awareness and verification that seat is locked properly prior to take off.

ESTIMATED FUNDING IMPACT:

Funding impact should be minimal based on mechanic charges to remove lock from aircraft where appropriate.

HQ STAFF COMMENTS:

REGULATIONS AND FORMS AFFECTED:

To be determined.

COMMITTEE RECOMMENDATION:

The committee makes a motion that the Cessna Aircraft pilot seat lever type locking mechanism be removed or retained based on the conditions specified in the NEC Recommended Action paragraph.

3. Committee Recommendation OP10303P-1, Pilot reimbursement rate CAPR 50-11

INFORMATION BACKGROUND:

CAPR 50-11, Flight Clinics, has not been revised since January of 1986. As an incentive to CAP pilots to attend authorized Safety Flight Clinics, and help defray the costs of attendance, a reimbursement rate of \$20.00 per pilot was authorized. This rate was never intended to totally pay for all the costs associated with satisfactory completion of all the requirements of the flight clinic.

Historically, the budget for this activity has never been exceeded and wings which request additional clinics in the same budget year have been approved, up to the limits of the budget.

The benefits in increased pilot knowledge and safety improvement far exceed the costs of the clinics to CAP.

Fuel and maintenance costs have increased dramatically since this reimbursement rate was established. An increase to the pilot reimbursement rate is appropriate and will provide an incentive to pilots to attend safety flight clinics.

PROPOSED NEC ACTION:

The NEC recommends that the pilot reimbursement rate in CAPR 50-11, paragraph 4 be increased to \$40.00 per pilot and the Wing administration reimbursement be increased to \$5.00 per pilot attending.

ESTIMATED FUNDING IMPACT:

Current FY 01 program is budgeted to \$5000.00. Previous year expenditures have been less than \$2500. Retain the current budget level.

HQ STAFF COMMENTS:

REGULATIONS AND FORMS AFFECTED:

CAPR 50-11

COMMITTEE RECOMMENDATION:

The committee makes a motion that the pilot reimbursement rate contained in CAPR 50-11 be increased to \$40.00 per pilot and the Wing administration rate be increased to \$5.00 per pilot.

CAPR 50-11 shall be revised to reflect these changes and any others that may be appropriate.

4. Committee Recommendation OP10303P-2 CAPR 173-3 reimbursement rates

INFORMATION BACKGROUND:

Current reimbursement rates for corporate and member owned aircraft hours are based on a composite rate which includes both fuel cost and a per hour maintenance rate. The rate includes an adjustment for member owned aircraft used on authorized missions.

The rates are reviewed annually to ensure they are reasonably current with existing costs.

With the current economic conditions, fuel costs have had rapid fluctuations in the per gallon cost and in most cases have significantly increased.

In order to have an overall reimbursement rate that is more in line with current costs; it would be more appropriate to separate the reimbursement procedures to show actual fuel costs, verified by a vender receipt. Aircraft maintenance reimbursements should be based on aircraft type, but adjusted to reflect current costs based on engine horsepower, etc. An adjustment for member owned aircraft should be made to reflect the proposed changes.

An attached fuel price summary obtained from Internet sources is provide to show the variation in Fuel prices by FBO's throughout the country.

PROPOSED NEC ACTION:

The NEC should approve the recommended changes in CAPR 173-3 to reflect a reimbursement rate for actual fuel costs, and a maintenance rate IAW with the attached table presented in the Operations Committee Recommendation.

ESTIMATED FUNDING IMPACT:

To be determined by NHQ staff as appropriate.

HQ STAFF COMMENTS:

REGULATIONS AND FORMS AFFECTED:

CAPR 173-3

COMMITTEE RECOMMENDATION:

The committee makes a motion that CAPR 173-3 be amended as follows:

Reimbursement rates for fuel used should be separate from the hourly maintenance reimbursement rates and shall be supported by a vendor receipt.

Maintenance reimbursement rates for corporate and member aircraft shall be as follows:

| | |
|------------------------|--|
| TYPE 1 A/C- \$20.00/hr | C-152 and similar |
| TYPE 2 A/C- \$26.00/hr | C-172 and similar |
| TYPE 3 A/C- \$30.00/hr | C-182 and similar |
| TYPE 4 A/C-\$33.00/hr | C-185/206 and similar |
| TYPE 5 A/C-\$40.00/hr | DHC-2 |
| TYPE 6 A/C-\$70.00/hr | TWIN Engine Aircraft, 200 HP and less engines |
| TYPE 7 A/C-\$80.00/hr | TWIN Engine Aircraft, greater than 200 HP per engine |

Member owned single engine aircraft shall have a maintenance override of \$10 per hour and a \$20.00 per hour override for multiengine aircraft.

EXAMPLE OF CORPORATE AIRCRAFT REIMBURSEMENT:

C-182 2 hours Hobbs meter

28 gals fuel @ \$2.50/gal = \$70.00 (actual cost)
2 hours x \$30.00 Maint. = \$60.00
Total Reimbursement = \$130.00

EXAMPLE OF MEMBER OWNED REIMBURSEMENT

PA-28-200/201 2 hours Hobbs meter

26 gals fuel @ \$2.50/gal = \$65.00 (actual cost)
2 hr. Maint @ \$30.00/hr = \$60.00
2 hrs. Maint adj. \$10.00/hr = \$20.00
Total Reimbursement = \$140.00

EXAMPLE OF MEMBER OWNED TWIN 200 hp engines

2 hrs fuel 24 gals @ \$2.50 = \$ 60.00
2 hrs Maint @ \$70.00/hr = \$140.00
2 hrs Maint @ \$20.00/hr = \$ 40.00
Total Reimbursement = \$240.00

EXAMPLE OF MEMBER OWNED TWIN 285 hp engines

2 hrs fuel 28 gals @ \$2.50/gal = \$ 70.00
2 hrs Maint @ \$80.00/hr = \$160.00
2 hrs Maint adj. @ \$20.00/hr = \$ 40.00
Total Reimbursement = \$270.00

Counter Drug Reimbursements for Twins shall be at special rates agreed to.

5. Other agenda items in progress

| | |
|--|------------------------------|
| WMU/SAR Management- Pilot Computer Data Base | IN SUB-COMMITTEE (Capicik) |
| GPS Data Base Subscription Options | Awaiting Update from vendors |
| MADRIS Fault/Consolidation and National Plan | IN SUB-COMMITTEE (Herndon) |

6. The Corporate Aircraft Distribution Committee (CAD) is too complex an issue to be formed as a sub-committee of the Ops Committee in my opinion. I would suggest that it should be a stand alone committee with representation from the ops committee along with the other representation as included in the motion as amended and passed at the March 2001 Board Meeting.

Respectfully submitted,

Col. Andrew E. Skiba
Chairman, National Operations Committee

**SUBJECT: CAPR 173-3 Reimbursement Rates
Operations Committee – Col Skiba**

INFORMATION BACKGROUND:

Current reimbursement rates for corporate and member owned aircraft hours are based on a composite rate which includes both fuel cost and a per hour maintenance rate. The rate includes an adjustment for member owned aircraft used on authorized missions. The rates are reviewed annually to ensure they are reasonably current with existing costs. With the current economic conditions, fuel costs have had rapid fluctuations in the per gallon cost and in most cases have significantly increased.

In order to have an overall reimbursement rate that is more in line with current costs; it would be more appropriate to separate the reimbursement procedures to show actual fuel costs, verified by a vender receipt. Aircraft maintenance reimbursements should be based on aircraft type, but adjusted to reflect current costs based on engine horsepower, etc. An adjustment for member owned aircraft should be made to reflect the proposed changes.

An attached fuel price summary obtained from Internet sources is provided to show the variation in fuel prices by FBO's throughout the country.

PROPOSED NEC ACTION:

The NEC approve the recommended changes in CAPR 173-3 to reflect a reimbursement rate for actual fuel costs, and a maintenance rate IAW with the table below as prepared in the operations committee recommendation.

ESTIMATED FUNDING IMPACT:

To be determined by NHQ staff as appropriate.

HQ CAP STAFF COMMENTS:

HQ CAP staff recognizes the real concerns CAP members have about this situation. Operations has no objection with the concept of reimbursing actual costs for fuel and oil plus a standard maintenance rate. The numbers in the example may need a closer evaluation since they may provide less for maintenance than is presently paid. Another factor in the overall reimbursement relates to major maintenance reimbursements authorized by HQ/LGM. In the future LGM will authorize only those items allowed by CAPR66-1. These are: (1) engine changes, engine top-overhauls, and cylinder repair/replacement (2) Propellers and prop governor overhauls (3) New avionics packages (4) exterior paint and (5) Interior refurbishment. Additionally, CAP's exemption to FAR 61.113(e) which permits our private pilots to be reimbursed for certain costs associated with Air Force assigned mission requires that we give the FAA 30 days notice before we change the CAPR 173-3 reimbursement rates.

REGULATIONS AND FORMS AFFECTED:

CAPR 173-3, *Payment for Civil Air Patrol Support.*

COMMITTEE RECOMMENDATION:

The committee makes a motion that CAPR 173-3 be amended as follows:

Reimbursement rates for fuel used should be separate from the hourly maintenance reimbursement rates and shall be supported by a vendor receipt.

Maintenance reimbursement rates for corporate and member aircraft shall be as follows:

| | |
|-------------------------|--|
| TYPE 1 A/C- \$25.00/hr | C-152 and similar |
| TYPE 2 A/C- \$32.00/hr | C-172 and similar |
| TYPE 3 A/C- \$35.00/hr | C-182 and similar |
| TYPE 4 A/C- \$40.00/hr | C-185/206 and similar |
| TYPE 5 A/C- \$50.00/hr | DHC-2 |
| TYPE 6 A/C- \$90.00/hr | TWIN-engine aircraft, 200 HP or less engines |
| TYPE 7 A/C- \$110.00/hr | TWIN-engine aircraft, 200-250Hp and turbo charged. |
| TYPE 8 A/C- \$120.00/hr | TWIN-engine aircraft greater than 250 HP engines |

Member owned single engine aircraft should have a maintenance override of \$10 per hour and a \$20.00 per hour override for multiengine aircraft.

NEW BUSINESS

SUBJECT: National Staff College Application (Form 17) Approvals NSC Director - Col Pearson

INFORMATION BACKGROUND

National Staff College Form 17s arrive at NHQ/ETP between March and September with a peak receipt time during the summer months when the daily EPT workload is quite high. ETP verifies each Form 17's integrity and corrects errors and omissions locally or returns them to the appropriate Wing or Region Commander for correction, signature, and resubmission. This multiple handling of Form 17s adds significantly to the ETP daily workload and places an unnecessary burden on an already time-constrained department that has a limited number of available personnel to complete this task.

One of the persistent problems is the lack of the Region Commander's approval signature.

In the cooperative effort of NSC Staff working closely with ETP staff to resolve our mutual problems, the following NEC Action is requested.

PROPOSED NEC ACTION:

The NEC change the existing Form 17 procedure that requires both Wing and Region Commander's approvals for Wing assigned personnel as follows: **Wing Commander's approval for personnel assigned within their Wings and Region Commander's approval for their Wing Commanders and the Region staff personnel.**